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March 18, 2011

Mr. Michael J. Pacilio
Senior Vice President, Exelon Generation Company, LLC
President and Chief Nuclear Officer, Exelon Nuclear
4300 Winfield Rd.
Warrenville, IL 60555

SUBJECT PEACH BOTTOM ATOMIC POWER STATION - NRC SECURITY INSPECTION
REPORT 05000277/2011403 AND 05000278/2011403

Dear Mr. Pacilio:

On February 23, 2011, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Peach Bottom Atomic Power Station. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on February 23, 2011, with Mr. Garey L. Stathes, Plant Manager, and other members of your staff.

The inspection examined activities conducted under your licenses as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your licenses. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents one NRC-identified finding of very low security significance (i.e., Green as determined by the Baseline Security Significance Determination Process). The deficiency was promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspectors left the site.

The finding had a cross-cutting aspect in the area of Human Performance (Work Practices component) because Exelon did not effectively communicate expectations regarding compliance with regulatory requirements and personnel following procedures [H.4(b)]. If you disagree with the cross-cutting aspect assigned to the finding in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, Region I; and the NRC Resident Inspector at the Peach Bottom Atomic Power Station.

Enclosure contains Sensitive Unclassified
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However, because of the very low security significance and because it is entered into your corrective action program, the NRC is treating this violation as a non-cited violation (NCV), consistent with Section 2.3.2 of the NRC's Enforcement Policy. If you contest this NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region I; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington DC 20555-0001; and the NRC Resident Inspector at the Peach Bottom Atomic Power Station.

A licensee-identified violation which was determined to be of very low security significance is also listed in this report. However, because of the very low security significance and because it is entered into your corrective action program, the NRC is treating this violation as a NCV consistent with Section 2.3.2 of the NRC Enforcement Policy. If you contest this NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-001; with copies to the Regional Administrator Region I; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington DC 20555-001; and the NRC Resident Inspector at Peach Bottom Atomic Power Station.

In accordance with 10 CFR Part 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system, ADAMS. ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR Part 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR Part 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR Part 73.22. Otherwise, mark your entire response "Security-Related Information - Withhold Under 10 CFR Part 2.390" and follow the instructions for withholding in 10 CFR Part 2.390(b)(1).

Sincerely,

/RA/

Silas R. Kennedy, Acting Chief
Plant Support Branch 1
Division of Reactor Safety

Docket Nos. 50-277, 50-278
License Nos. DPR-44, DPR-56

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Sincerely,
/RA/

Silas R. Kennedy, Acting Chief
Plant Support Branch 1
Division of Reactor Safety

Docket Nos. 50-277, 50-278
License Nos. DPR-44, DPR-56

SUNSI Review Complete: DBE (Reviewer's Initials)

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* See Previous Concurrence Page

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Enclosure: Inspection Report 05000277/2011403 and 05000278/2011403
w/Attachment: Supplemental Information (OUO-SRI)

cc w/encl; w/OUO-SRI:

J. Kovalchick, Manager, Site Security

D. Allard, Director, PA DEP

T. Levering, MD Emergency Response Director

A. Lauland, Director, MD Office of Homeland Security

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